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Inside MIM

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Inside MIM is a periodic newsletter written by MIM staff. It discusses key topics in management, consulting, auditing and accounting, etc. Since MIM is engaged in the field of management consultancies, our professionals have adequate expertise that they have gained through their years of experience at MIM. They therefore share their expertise and thoughts through this newsletter. Martin Cox & Associates, MIM sister company, is engaged in the field of auditing and accounting. Our professionals, through their experience in auditing and accounting, share updates, insights and information about auditing and accounting to keep you informed and up-to-date.

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Brief About MIM Group

MIM International Consultancies



- MIM is a specialized leading consultancy firm with over 33 years of experience in the field of feasibility studies and management consultancies serving the region's top organizations and governments.
- Our professionals are result-oriented and thrive on achieving clients' satisfaction which is the benchmark that measures our performance and success.

ASEL AL MAAYER Auditing & Consulting



- We offer a wide range of professional services in auditing & assurance, bookkeeping & accounting, and consultation services to small and medium sized organizations.
- Our professionals are highly educated and well trained, and are fully dedicated to serve our clients with due professional care and integrity. We do not just deliver reports; we make sure that our services will be a major contribution to your success and business development.

EBTIKARAT



- Ebtkarat is MIM representative office in Cairo, Egypt. Its core business is management and business consultancies.
- Our Ebtkarat team collaborates with MIM team in order to ensure the best quality services are provided to our clients to achieve our clients' satisfaction and maintain a long term business relationship.

EBTIKARAT Development



- Ebtikarat Development is a leading software house for developing desktop, websites and mobile applications, based in Egypt and Dubai. With the use of the latest information technology and telecommunication tools we achieve targets depending on a strong technical base and carefully selected expert resources.



LEGAL REQUIREMENTS FOR ISSUING DIVIDENDS:

Companies must follow a legally mandated protocol for issuing dividends

Introduction

When a company earns profits, they can either invest their earnings in the expansion and development of the company, *after settlements of their debts and liabilities*, or distribute the earnings among shareholders in the form of dividends. Each shareholder receives dividends according to their share in the company. However, issuing dividends to shareholders is not a simple process, and companies must follow a legally mandated protocol for declaring and issuing dividends.

Dividend Declaration

Declaring dividends must be done by the Board of Directors at a board meeting through issuing a board resolution stating that they will declare dividends, mentioning details such as the shareholders, their shares, etc. The company must also record the dividend amount and when the company expects to pay it. As a legal requirement, a company must have sufficient balance in retained earnings before the board decides to declare dividends. The financial controller/ accountant must first confirm the

balance of retained earnings in the company in order for the board to decide whether to declare dividends or not. Although it is not required that the company must have sufficient cash in order to issue dividends, it is recommended that the company does not issue dividends unless they have sufficient cash to avoid financial difficulties.

In case of small companies, where the board consists of only one person, dividend declaration must also be documented. When the company's board declares the dividend, the date is referred to as the dividend declaration date.

Accounting Treatment

There is no accounting transaction on the date of dividend declaration; the date the board declares the dividends. However, the accountant must record the dividend issued in the date of issuance in the balance sheet to include the dividends payable liability offset by a reduction of the same amount in retained earnings. At the time of payment, the accountant must record a reduction in dividend payable liability offset by a reduction in bank/ cash account.

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Technology Leverage for Small Business

Technology can help small business owners leverage limited capital in smarter and more effective ways. In some cases, using technology is a natural progression for processes you may already have in place in your business. In others, you may need to make some adjustments to reap the benefits of these tech-friendly alternatives. The good news is that the benefits will often outweigh the short-lived challenges of the transitional process, once your new systems are in place.

Here is a collection of ideas that will help you use technology in your small business to do more with less and help you become more efficient and versatile.

Productivity

Use time tracking software to see where you are spending your time so you can become more productive. Explore open source applications to replace some of the more costly "name brand" alternatives. Streamline your work processes with digital dictation. Use project management and task management tools to stay on top of your daily business responsibilities. Create a digital filing system to make it easier to sort, save, share and find documents. Develop an efficient email management process that makes it easier to stay on top of the flow of messages.

Money Matters

Use an online invoicing service to reduce the costs of collecting payment from customers. Use online budget tracking to keep on top of -- and reduce -- your expenses. File your taxes more efficiently online. Create a new income stream by selling your products online. Use comprehensive accounting software to streamline your business finances. Share digital files with your bookkeeper or accountant to improve your ongoing bookkeeping processes.

Marketing

Use software to create a marketing plan that you can edit, update and share with your team. Use social media sites like Facebook, Twitter, Google+, Interest, YouTube, etc. to promote your business, products and services. Start a blog related to your business and target audience. Collect email addresses through an opt-in form and start utilizing the power of email marketing. Use video marketing. Promote your business with a website and/or online advertising.

Collaboration and Learning

Conduct teleconference calls to make sure team members in different locations are on the same page. Hold a webinar or web conference for travel-free face-to-face time. Expand your knowledge with online business training. Share files and data with the Cloud. Set up an Intranet for local file sharing. Communicate quickly with your team through instant messaging.

Customer Service

Use social media to conduct customer service. Set up an online help desk or ticket system to handle customer issues. Allow clients to schedule appointments online at their convenience. Use online surveys and questionnaires to get customer feedback.

Mobile Working and Telecommuting

Create a mobile office that allows you to work productively from anywhere. Use remote desktop applications to access files on your office computer. Go paperless to save money on supplies and storage in your office. Get a virtual phone number and an electronic fax line that you can take anywhere. Use your smart phone and select apps to stay connected when you're on the go.

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